



FACTS ABOUT U.S. SMALL BUSINESSES

Small businesses represent the individual efforts of our Nation's citizens. They are the foundation of the Nation's economic growth. Small businesses are avenues of opportunity for women and minorities, first employers and trainers of the young, employ a higher proportion of elderly workers, those formerly on public assistance, and those who prefer to work part-time. The freedom of America's small businesses to experiment, create, and expand makes them powerhouses in our economic system.

A small business, as generally defined by the U.S. Small Business Administration, is independently owned and operated and has less than 500 employees.

There are approximately 25.5 million small businesses in the U.S. These small businesses...

- provide about 80 percent of the net new jobs
- represent over 99 percent of all employers
- represent 96 percent of all U.S. exporters
- employ 53 percent of private sector workers
- employ 61 percent of private workers on public assistance
- employ about 40 percent of the private workers in high-tech occupations according to the Census Bureau
- receive 35 percent of federal contract dollars
- provide 55 percent of innovations
- account for 51 percent of private sector output
- hire a larger proportion of workers who are younger, older, women or workers who prefer to work part-time
- provide 67 percent of workers with their first jobs and initial on the job training in basic skills

SOURCE: SBA Office of Advocacy